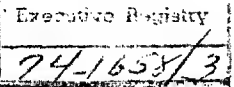


Approved For Release 2000/09/01 : CIA-RDP81B00080R001600010001-3



DEPARTMENT OF STATE

Washington, D.C. 20520



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NSC UNDER SECRETARIES COMMITTEESECRET
NSC-U/SM-13C

June 24, 1974

TO: The Deputy Secretary of Defense
 The Assistant to the President for
 National Security Affairs.
 The Director of Central Intelligence
 The Chairman of the Joint Chiefs of Staff
 The Chairman, Atomic Energy Commission
 The Director, Arms Control and Disarmament
 Agency
 The Director, US Information Agency

SUBJECT: Nuclear Non-Proliferation Treaty

The attached draft Memorandum for the President and the study which it transmits are forwarded for your comments and/or concurrence which may be telephoned to Mr. Jerome Kahan, Department of State, 632-8980. Your response is requested by c.o.b. Tuesday, July 2, 1974.

Brandon Grove, Jr.
Staff Director

Attachments:

As stated

State Dept. declassification instructions on file

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NSC UNDER SECRETARIES COMMITTEE

MEMORANDUM FOR THE PRESIDENT

Subject: National Security Study Memorandum 202:
U.S. Non-Proliferation Policy

In response to NSSM 202, this study reviews the present U.S. policy concerning non-proliferation and the Non-Proliferation Treaty (NPT) in particular, in light of the recent Indian nuclear test. A recently updated NSSM 156 study is a companion paper that focuses on the specific options and courses open to us in our dealings with India.

The non-proliferation of nuclear weapons has been a consistent and important element of U.S. policy for the entire nuclear era. Simply put, our strong, repeated, resolve in support of this objective has been predicated on our belief that the instability of the world, and the danger of nuclear war, as well as the problems of arms control would significantly increase with an unrestrained spread of nuclear weapons.

Technical developments and political trends will increase both the difficulty and the importance of deterring further nuclear proliferation during the coming decade. Nuclear power generation is coming into wider use throughout the world and U.S. dominance as a commercial supplier is diminishing. At the same time, we are entering a period when political barriers to non-proliferation appears to be weakening, given movements toward a multipolar world and the decreasing credibility that

SECRET

2

many nations have concerning security guarantees. Finally, as a result of the Indian nuclear test, other non-nuclear weapons states will tend to rethink their decisions regarding independent nuclear weapons or nuclear explosives programs.

Nonetheless, upon closer examination, a strong case can be made that policies aimed at deterring further proliferation can still be effectively pursued. Four key factors support this judgment:

1. Not all important non-nuclear weapons states have the necessary capabilities to produce nuclear explosives, and many nations with an incentive to undertake such programs may not be able to acquire in the near-term the necessary capacity to do so.

2. Nuclear materials and equipment essential to the production of nuclear weapons are still available only from a limited number of suppliers who generally oppose proliferation.

3. Political and security disincentives for nuclear weapons decisions continue to exist in many important non-nuclear states, and many nations with advanced capabilities may not choose to exercise the nuclear option for political, security, and legal reasons.

4. U.S. national security interests can be well served even with an imperfect and incomplete non-proliferation strategy which can defer the disadvantages associated with an expanded number of nuclear powers while seeking to create conditions

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SECRET

3

which ultimately check further spread.

The NSSM 202 study describes a number of technical and diplomatic measures that can be usefully applied to help dissuade others from entering the nuclear weapons field. The study identifies high priority policy actions, important studies needed to underpin specific policies, and longer-term U.S. non-proliferation approaches. Based upon the NSSM 202 analysis, the Under Secretaries Committee recommends that you approve an action program consisting of the following elements:

First, that the U.S. adopt an intensified national policy designed to inhibit the further spread of independent nuclear weapons capabilities, with emphasis on obtaining wider adherence to the NPT but recognizing the necessity of pursuing a non-proliferation strategy outside the treaty's framework. In this connection, the U.S. on a priority basis should take immediate steps to

- reaffirm at high levels support for the NPT; urge prompt ratification by nations whose adherence is crucial to the efficacy of the treaty; and consult with the Soviet Union in order to ensure the consistency of our respective non-proliferation strategies.
- Aggressively implement NSDM 255 in an attempt to complement our efforts to increase the universality of IAEA safeguards applications

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SECRET

4

by securing multilateral guidelines on nuclear export controls; approach the new French Government at high levels to seek cooperation in this endeavor; develop a more stringent approach to agreements on the provision of nuclear materials and technology to countries in troubled areas; and consider as a prominent factor in impending decisions on U.S. uranium enrichment supply policy the importance to non-proliferation of the continued availability of U.S. uranium enrichment services on attractive terms.

-- Consult with Canada on the question of further nuclear cooperation with India; persuade other nuclear suppliers to obtain from India assurances with respect to non-use of nuclear export for peaceful nuclear explosives; and develop a position for use by the Secretary of State for discussions with India and Pakistan during the planned late summer visit.

Second, that the Under Secretaries Committee immediately undertake studies of U.S. PNE policy, security assurances, and sanctions as issues of special significance for our near-term non-proliferation efforts.

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5

Third, that a standing interagency working group on non-proliferation be established by the Under Secretaries Committee to: coordinate, review, and report on policy actions and plans; execute many of the actions identified in this report; and conduct relevant studies needed to support our non-proliferation policies.

Acting Chairman

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